

VILLAGE OF WEBBERVILLE, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Village of Webberville, Michigan	County Ingham
Audit Date 3/31/04	Opinion Date 4/23/04	Date Accountant Report Submitted to State: 9-22-04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

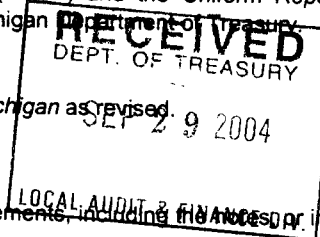
We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes or in the report of comments and recommendations.

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).



We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)

Demis and Wenzlick, P.C.

Street Address

217 N. Washington St. Suite 201

City

Owosso

State

MI

ZIP

48867

Accountant Signature

Date

Geraldine Lenz, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable President
and Village Council
Village of Webberville, Michigan

We have audited the accompanying general-purpose financial statements of the Village of Webberville, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Webberville's management. Our responsibility is to express an opinion on the general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Webberville, Michigan, as of March 31, 2004, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Demis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
April 23, 2004

VILLAGE OF WEBBERVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY REPORTED COMPONENT UNITS
MARCH 31, 2004

	Government Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Component Unit
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	
ASSETS:									
Cash & Cash Equivalents	202,187	228,883	72,663	171,628	20,594	1,407			116,567
Cert. of Deposit				48,858					
Accrued Int. Rec.				21					
Accts. Rec.	46	16		47,779					
Prepaid Interest									
Assessment Rec.									
Utility Cust. Rec.	6,091								
Other Rec.									
Cable Franchise.									
Due from Other Funds	1,407								
Due from Other Governmental Units									411,580
Restricted Assets				691,275					
Fixed Assets (Net of Accum. Deprec.)				4,214,750	3,763		1,685,944		
Unamortized Disc. on bonds issued & Financing Costs				95,519					
Amt. to be Provided for General Long Term Debt								674,846	
Total Assets	209,731	228,899	72,663	5,269,830	24,357	1,407	1,685,944	674,846	528,147

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY REPORTED COMPONENT UNITS
MARCH 31, 2004

	Government Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Component Unit
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	
Liabilities:									
Accounts Payable	71,403	68			493				76,919
Accts. Pay. - Payroll					62,255				
Accrued Int. Payable	6,169								
Payroll Taxes Payable									
Retirement Payable									
Loan Payable									
Current Mat. on Long									
Term Debt	20,000				140,000				
Revenue Bonds Payable					2,205,000			674,846	
Due to Other Funds						1,407			
Total Liabilities	97,572	68	0	2,407,748	0	1,407	0	674,846	76,919
Fund Equity									
Contributed Capital				1,206,406					
Investment in General									
Fixed Assets							1,685,944		
Ret. Earnings- Reserved				1,387,015					
Ret. Earnings-				268,661	24,357				
Unreserved									
Fund Balance	112,159	228,831	72,663						451,228
Total Fund Equity	112,159	228,831	72,663	2,862,082	24,357	0	1,685,944	0	451,228
Total Liabilities & Fund Equity	209,731	228,899	72,663	5,269,830	24,357	1,407	1,685,944	674,846	528,147

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL TYPE FUNDS AND
 DISCRETELY REPORTED COMPONENT UNIT
 YEAR ENDED MARCH 31, 2004

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>COMPONENT UNIT</u>
REVENUES:				
Taxes	\$442,931	\$160,184	\$	\$
Fees and Permits	13,281			
Inter-governmental	157,186	98,778		
Charges for Services	36,522			
Income from LTD Financing				484,846
Other Gov't Units				296,801
Special Assmts.			12,555	
Int. Income/ Misc. Other	<u>47,732</u>	<u>2,848</u>	<u>517</u>	<u>5,022</u>
TOTAL REVENUES	\$697,652	\$261,810	\$ 13,072	\$786,669
EXPENDITURES:				
Legislative	\$ 11,024	\$	\$	\$
General Gov't	64,150			
Police	264,482			
Fire	33,671			
Public Works	53,348			
Street Lights/ Utilities	52,542			
Refuse Coll.	27,023			
Recreation	1,636			
Ins.	13,489			
Prin. & Int.	35,066			
Capital Purch. & Const.	-0-		8,963	
Highways & Streets: Maintenance		196,651		
D.D.A.: Other				<u>790,410</u>
TOTAL EXPEND.	\$556,431	\$196,651	\$ 8,963	\$790,410

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL TYPE FUNDS AND
 DISCRETELY REPORTED COMPONENT UNIT
 YEAR ENDED MARCH 31, 2004

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>COMPONENT UNIT</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 141,221	\$ 65,159	\$ 4,109	\$ (3,741)
OTHER FINANCING SOURCES: (USES):				
Transfers from Other Funds	\$ -0-	\$ 75,000	\$ 11,000	\$
Transfers from Component Units	35,000	15,941		
Transfers to Other Funds		(76,000)		
Transfer to Component Units	(159,697)	(58,855)		
Transfer to Primary Gov't				(159,277)
Transfers from Primary Govt.				<u>218,552</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (124,697)	\$ (43,914)	\$ 11,000	\$ 59,275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 16,524	\$ 21,245	\$ 15,109	\$ 55,534
Fund Balance- Beginning of Year	<u>95,635</u>	<u>207,585</u>	<u>57,554</u>	<u>395,694</u>
FUND BALANCE END OF YEAR	\$ <u>112,159</u>	\$ <u>228,830</u>	\$ <u>72,663</u>	\$ <u>451,228</u>

The accompanying notes are an integral
 part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES.
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENT AND
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED MARCH 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND TYPES			COMPONENT UNIT		
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
REVENUES:												
Taxes	411,500	442,931	(31,431)	158,885	160,184	(1,299)	0	12,555				
Fees & Permits	32,750	13,281	19,469									
Inter-Governmental Charges for	163,000	157,186	5,814	91,500	98,778	(7,278)					296,801	
Services	35,100	36,522	(1,422)									
Other Gov't Units												
Income from LTD												
Int. & Misc.	51,300	47,732	3,568	3,050	2,848	202	550	517			484,846	
											5,022	
TOTAL REVENUES	693,650	697,652	(4,002)	253,435	261,810	(8,375)	550	13,072	0	0	786,669	(786,669)
EXPENDITURES:												
Legislative	15,000	11,024	3,976									
General Gov't	80,550	64,150	16,400									
Police	263,200	264,482	(1,282)									
Fire	34,508	33,671	837									
Public Works	74,316	53,348	20,968									
Street												
Lights/Utilities	55,000	52,542	2,458									
Refuse Collection	28,000	27,023	977									
Recreation	2,000	1,636	364									
Insurance	14,000	13,489	511									
Capital Purchase & Const.							20,000	8,963				
Supplies, Repairs, Misc.												
Principal & Int. Hwy. & Streets	35,600	35,066	534									
Maintenance				293,870	196,651	97,219						
Principal & Int. DDA:												
Other										1,197,297	790,410	
TOTAL EXPENDITURES	602,174	556,431	45,743	293,870	196,651	97,219	20,000	8,963	0	1,197,297	790,410	0
REVENUES OVER (UNDER)												
EXPENDITURES	91,476	141,221	(49,745)	(40,435)	65,159	(105,594)	(19,450)	4,109	0	(1,197,297)	(3,741)	(786,669)
OTHER FINANCING SOURCES:												
Transfer from Primary Gov't										0	218,552	(218,552)
Transfers from Other Funds				75,000	75,000	0	11,000	11,000	0			
Transfers from Component Unit	35,000	35,000	0	0	15,941	(15,941)						
Transfers to Other Funds				(76,000)	(76,000)	0						
Transfers to Component Unit	(160,000)	(159,697)	303	(43,000)	(58,855)	(15,855)						
Transfers to Primary Gov't										(164,301)	(159,277)	5,024
TOTAL OTHER FINANCING SOURCES	(125,000)	(124,697)	303	(44,000)	(43,914)	(31,796)	11,000	11,000	0	(164,301)	59,275	(213,528)
EXCESS REVENUES OVER (UNDER)												
EXPENDITURES AND OTHER USES	(33,524)	16,524	(50,048)	(84,435)	21,245	(105,680)	(8,450)	15,109	(23,559)	(1,361,598)	55,534	(1,417,132)
Beginning		95,635			207,585			57,554			395,694	
Fund Balance - End of Year		112,159			228,830			72,663			451,228	

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
OPERATING REVENUES:		
Charges for Services	\$ 351,839	\$
Penalties	4,205	-0-
Interest Income & Misc.	18,360	175
Charges for Services from Other Funds		
TOTAL REVENUES	\$ 374,404	\$ 34,827
Operating Expenses	\$ 93,295	
Administration	124,049	3,933
Other:		
Depreciation	102,834	
Amortization	6,664	
Interest Expense	153,957	
Public Works	-0-	13,474
TOTAL OPERATING EXPENSES	\$ 480,799	\$ 17,407
NET INCOME BEFORE OPERATING TRANSFERS	\$ (106,395)	\$ 17,420
Transfers from Component Units	\$ 108,356	\$ -0-
Transfers to Other Funds		(10,000)
NET INCOME	\$ 1,961	\$ 7,420
RETAINED EARNINGS/FUND BALANCE BEGINNING OF YEAR	1,653,715	16,937
RETAINED EARNINGS/FUND BALANCE END OF YEAR	\$1,655,676	\$ 24,357

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ 1,961	\$ 7,420
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 102,834	\$ 1,304
Amortization	6,664	
(Increase) Decrease in Interest Receivable	(39)	
(Increase) Decrease in Accounts Receivable	5,770	
Increase (Decrease) in Accts. Payable	(2,034)	
Increase (Decrease) in Accrued Expenses	(2,754)	
	\$ <u>110,441</u>	\$ <u>1,304</u>
Cash Flows from Operating Activities	\$ 112,402	\$ 8,724
CASH FLOWS FROM CAPITAL & RELATING FINANCING:		
Capital Expenditures	\$ -0-	\$
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of Bonds Payable	\$(135,000)	\$
Increase (Decrease) in Cash or Cash Equivalents	\$ (22,598)	\$ 8,724
Cash and Cash Equivalents Beginning of year	<u>933,123</u>	<u>11,870</u>
CASH AND CASH EQUIVALENTS END OF YEAR	\$ <u>910,525</u>	\$ <u>20,594</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES (CONTINUED)
YEAR ENDED MARCH 31, 2004

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid During the

Year For:

Interest

\$156,713

\$ -0-

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Village considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINING BALANCE SHEET - COMPONENT UNIT
MARCH 31, 2004

DOWNTOWN
DEVELOPMENT
AUTHORITY

ASSETS:

Cash	\$116,567
Due from Other Governmental Units	<u>411,580</u>
TOTAL ASSETS	<u>\$528,147</u>

LIABILITIES, FUND EQUITY AND OTHER CREDITS

LIABILITIES:

Accounts Payable	\$ 76,919
Accrued Interest Payable	<u>-0-</u>
TOTAL LIABILITIES	\$ 76,919

FUND EQUITY AND OTHER CREDITS:

Fund Balance	<u>\$451,228</u>
Total Fund Equity and Other Credits	<u>\$528,147</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL COMPONENT UNIT
YEAR ENDED MARCH 31, 2004

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>
REVENUES:	
Income from LTD Financing	\$ 484,846
Interest & Misc.	5,022
Other Governmental Units	<u>296,801</u>
TOTAL REVENUES	\$ 786,669
EXPENDITURES:	
Contracted Services	\$ 10,473
Legal	22,431
Office Expense	3,671
Engineering	603
Audit	700
Recording Salary	600
Loan Fees	38,736
Interest Expense	29,142
Principal of LTD	657,500
Drains	385
Publishing	760
Option Fees	1,500
Parks & Recreation - WCRA Grant	9,702
Street Lights	8,941
Sidewalks	3,516
Parking Lot	<u>1,750</u>
TOTAL EXPENDITURES	\$ 790,410
EXCESS OF REVENUES OVER EXPENDITURES	<u>(3,741)</u>
OTHER FINANCING SOURCES:	
Transfer from Primary Government	\$ 218,552
Transfer to Primary Government	<u>(159,277)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	\$ 55,534
Fund Balance at April 1,	<u>395,694</u>
FUND BALANCE AT MARCH 31,	<u><u>\$ 451,228</u></u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Webberville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

COMPONENT UNITS

The accompanying financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Village to finance any deficits that may occur or receipt of significant subsidies from the Village. Component units that do not meet the criteria for blending are reported discretely.

Component units that are reported in the Village's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

<u>BLENDED COMPONENT UNITS REPORTED WITH THE PRIMARY GOVERNMENT</u>	<u>BRIEF DESCRIPTION AND RELATIONSHIP TO THE VILLAGE</u>	<u>REPORTING FUNDS</u>
Webberville Bldg. Auth. (WBA)	Charged with responsibility of building and financing repairs and major improvements to the Village hall and library. Village Council members serve as trustees.	Webberville Bldg. Auth. Fund (Capital Projects Fund)
Cultural Center Bldg.	Used to set aside monies for repairs and maintenance and improvements to the Webb. Cultural Center. Village Council members serve as trustees.	Cultural Center Bldg. Expense Fund (Capital Projects Fund)

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPONENT UNITS

DISCRETELY REPORTED
COMPONENT UNITS

BRIEF DESCRIPTION OF ACTIVITIES
AND RELATIONSHIP TO THE VILLAGE

Downtown Develop. Auth.

Used for the administration of the Authority and planning of improvements in the downtown district. Financing for DDA operations was provided by the General Fund. Village Council members serve as trustees.

FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All government funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LIABILITIES (CONTINUED)

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (Net Total Assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Equipment (Internal Service Fund)	5-10 years
Fixed Assets (Enterprise Funds)	25-75 years

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Discretely reported component unit, (The DDA), uses the modified accrual basis of accounting.

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public Hearings are conducted in the Village to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise and Internal Service Funds and the discretely presented component unit.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The DDA budget is based upon a fiscal year which matches the Village's fiscal year.

CASH AND INVESTMENTS

Investments are stated at cost or amortized cost, which approximates market.

Cash includes amounts in demand deposits.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

Short-term interfund loans are classified as "due from other funds" or "due to other funds" on the balance sheet. Transactions occurring between individual funds for goods provided or services rendered are also classified as "due to other funds" or "due from other funds" on the balance sheet.

Short-term interfund loans between the primary government and discretely presented component units are classified as "due from primary government" and "due from component unit" or "due to primary government" and "due to component unit".

RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPENSATION ABSENCES

The Village allows employees seven days of sick time per year, which cannot be accumulated beyond one year. Extended sick time is covered under a disability insurance policy through Shenandoah Life Insurance Company of which the Village pays 100% of the premiums. Earned vacation time is required to be used within the year.

No liability is accrued at March 31, 2004, as it is less than one year's liability.

POST-EMPLOYMENT HEALTH CARE BENEFITS

Cobra Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Village makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. There are no participants in this program as of March 31, 2004.

Retiree Benefits

The Village pays 100% of health insurance coverage for a one year period of time for any full-time employees who retires. As of March 31, 2004, the Village has no one collecting benefits under this plan.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS

The portion of long-term debt expected to be financed from expendable available financial resources is recognized as a liability of a governmental fund when due. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants. Reserves represent those portions of fund equity not appropriable for expenditure.

BOND DISCOUNTS/ISSUANCE COSTS

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the terms of the bond using the straight-line method.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

COMPARATIVE DATA

Comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Property taxes attach an enforceable lien on property by the county. Taxes are levied on June 30, and payable on October 20. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village is permitted by the Municipal Finance Law of the State to levy taxes up to 15 mills total. The Village Council has allocated 9.6453 mills for governmental services, 0.9628 mills for drain improvement, and 2.5919 mills for the Municipal Street Fund.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>PRIMARY GOVERNMENT</u>		
	<u>BALANCE</u>		<u>BALANCE</u>
	<u>3-31-03</u>	<u>ADDITIONS</u>	<u>3-31-04</u>
Building & Land	\$1,421,322	\$	\$1,421,322
Office Equip.	61,651		61,651
Police Equip.	10,598		10,598
DPW Equip.	191,116	392	191,508
Other Fixt. & Equip.	865		865
	<u>\$1,685,552</u>	<u>\$ 392</u>	<u>\$1,685,944</u>

There are no general fixed assets for component units.

A summary of proprietary fund type property, plant and equipment at March 31, 2004, is as follows:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Utility Plant	\$5,797,590	\$
DPW Equipment		164,933
	<u>\$5,797,590</u>	<u>\$ 164,933</u>
Less: Accum. Deprec.	(1,582,840)	(161,170)
NET	<u>\$4,214,750</u>	<u>\$ 3,763</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE B - CHANGES IN GENERAL FIXED ASSETS (CONTINUED)

Depreciation expense for the year ended March 31, 2004 is \$104,138.

Property, Plant and Equipment are recorded in the Village's records at cost. Depreciation is computed by the straight line method using lives of 10 to 75 years.

Property, Plant and Equipment are recorded in the books and records at cost. Depreciation is computed by the straight line method using lives of 25 to 75 years.

NOTE C - WATER AND SEWER NOTES

Discounts on bonds issued and financing costs are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

In 1994, the Village issued water and wastewater revenue and refunding bonds in the amount of \$3,310,000, less \$28,449 original issue discount and \$66,200 underwriters discount were issued. Proceeds were used to retire various outstanding water and sewer bonds and provide funds as required under various grants for development of the Village's Industrial Park.

The 1994 bonds consists of serial bonds which are payable on November 1, from 1994 through 2004 and terms bonds of which \$1,145,000 matures on November 1, 2011 and \$1,060,000 matures on November 1, 2018. Interest is payable, at rates from 3.5% to 6.5%, on May 1, and November 1, each year. A separate schedule details the annual obligations. One-sixth of monthly Water and Sewer receipts is transferred to the 1994 Bond and Interest Redemption Fund to pay these obligations. The balance on these bonds is \$2,345,000 at March 31, 2004.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

Annual debt service requirement to maturity for the Water and Wastewater Revenue and Refunding Bonds, Series 1994, including interest of \$1,192,960, are as follows:

FISCAL YEAR ENDING <u>MARCH 31,</u>	<u>AMOUNT</u>
2005	\$ 289,085
2006	286,035
2007	286,900
2008	282,135
2009	277,055
Thereafter	<u>2,116,750</u>
	<u>\$3,537,960</u>

NOTE D - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (a) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the funds have been shown on a line item basis. The approved budgets of the Village for these funds were adopted to the line item level.

PRIMARY GOV'T FUNDS

APPROPRIATION EXPENDITURE VARIANCE

General Funds:

Police -Contracted Serv.	\$ 262,000	\$264,482	\$(2,482)
Gen. Serv. - Admin.	29,500	30,499	(999)

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE E - INTER-FUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE FROM COMPONENT UNITS</u>	<u>FUND</u>	<u>DUE TO OTHER FUNDS</u>	<u>DUE TO PRIMARY GOV'T</u>
General	\$1,407		Payroll	\$ 7	
			Misc.	556	
			Tax	844	
	<u>\$1,407</u>	<u>\$ -0-</u>		<u>\$ 1,407</u>	<u>\$ -0-</u>

NOTE F - BUILDING AUTHORITY BONDS

The Webberville Building Authority issued \$350,000 of bonds in 1991, for the construction of a village library and hall. These bonds bear interest ranging from 6.4% to 7.25% per annum. Bonds maturing after May 1, 2002 are subject to redemption prior to maturity at the option of the authority with premium. The bonds are secured by the full faith and credit of the Village. The bonds are further detailed in a separate schedule. The balance of these bonds is \$210,000 at March 31, 2004.

NOTE G - BUILDING AUTHORITY BONDS

Annual debt service to maturity, including interest at \$107,128, is as follows:

<u>FISCAL YEAR ENDING MARCH 31,</u>	<u>AMOUNT</u>
2005	\$ 34,805
2006	33,490
2007	37,240
2008	35,512
2009	33,700
Thereafter	<u>109,138</u>
	<u>\$283,885</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2004

NOTE H - CASH AND CERTIFICATES OF DEPOSIT

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

The primary government's deposits at March 31, 2004, consisted of cash and certificates of deposit at three financial institutions:

<u>INSTITUTION A</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Cash	\$ <u>355,538</u>	\$ <u>100,000</u>	\$ <u>255,538</u>

<u>INSTITUTION B</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Certificates of Deposit	\$ <u>48,858</u>	\$ <u>48,858</u>	\$ <u>-0-</u>

<u>INSTITUTION C</u>			
Cash	\$ 148,764	\$100,000	\$ 48,764
Certificates of Deposit/Savings	<u>883,098</u>	<u>100,000</u>	<u>783,098</u>
	<u>\$1,031,862</u>	<u>\$200,000</u>	<u>\$831,862</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2004

NOTE H - CASH AND CERTIFICATES OF DEPOSIT (CONTINUED)

The carrying amount of deposits for the DDA, a discretely presented component unit, was \$116,567 and the bank balance was \$118,067. Of the bank balance \$100,000 was covered by Federal Depository Insurance.

The DDA's deposits at March 31, 2004, consisted of cash at one financial institution:

	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Cash	\$ <u>116,567</u>	\$ <u>100,000</u>	\$ <u>16,567</u>

Cash and cash equivalents caption on the combined balance sheet include \$27 in imprest cash.

NOTE I - INTERFUND OPERATING TRANSFERS

<u>FUND</u>	<u>TRANSFER FROM OTHER FUNDS</u>	<u>TRANSFER FROM COMPONENT UNITS</u>	<u>TRANSFER FROM PRIMARY GOVERNMENT</u>
General	\$ 32,000	\$ 35,000	\$
Local Street	40,000		
Drains		15,941	
Water		30,000	
New Equipment	10,000		
Bond Int. & Redemption		78,356	
DDA			218,552
Sidewalk	1,000		
Major	35,000		
	<u>\$118,000</u>	<u>\$159,297</u>	<u>\$218,552</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

<u>UNIT</u>	<u>TRANSFERS TO OTHER FUNDS</u>	<u>TRANSFER TO PRIMARY GOVERNMENT</u>	<u>TRANSFER TO COMPONENT</u>
Municipal Street	\$ 76,000	\$	\$ 42,914
General			159,697
DDA		159,297	
Major Street	5,800		
Motor Vehicle Pool	10,000		
Local Street	2,600		
Water	11,800		
Sewer	11,800		
Sidewalk			15,941
	<u>\$118,000</u>	<u>\$159,297</u>	<u>\$218,552</u>

NOTE J - RETIREMENT

As of April 1, 1995, the Village is a member of the Municipal Employees Retirement System (MERS). Full-time employees contribute, on a pre-tax basis, 5.5% of their gross wage. The actuary has determined the Village's contribution to be \$9,897 for the year ended March 31, 2004. Each year the quarterly contribution is recalculated based on the actual wages paid to employees during the prior fiscal year. During the year, \$14,903 was paid to MERS. The pension covered \$100,428 of the Village's total payroll of \$130,603.

NOTE K - CHANGES IN LONG-TERM LIABILITIES

During the year ended March 31, 2004, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>BALANCE APRIL 1,</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE MARCH 31,</u>
Bond - WBA	\$210,000	\$	\$ 20,000	\$190,000
Loan Payable -				
DDA	<u>657,500</u>	<u>484,846</u>	<u>657,000</u>	<u>484,846</u>
	<u>\$867,500</u>	<u>\$484,846</u>	<u>\$677,000</u>	<u>\$674,846</u>

The current maturities on long-term debt are recorded as a liability in the fund that is responsible for the payment.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE K - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

There is general long-term debt for component units of \$657,500.

During the year ended March 31, 1998, the Downtown Development Authority purchased two parcels of land from the Mason's. The first ten acre parcel was purchased for \$350,000 with a \$200,000 down payment and note payable for \$150,000. This parcel was subsequently sold to Keykert USA for \$200,000 with the DDA recognizing a \$150,000 loss. The balance of \$75,000 was paid off to the Mason's during the year.

The second seven acre parcel was purchased for \$472,500 with a down payment and a note payable for \$332,500. This parcel was also subsequently sold to GT USA, LLC for \$140,000 with the DDA recognizing a \$332,500 loss. The balance of \$72,500 was paid off during the year.

During the year ended March 31, 2002, the Downtown Development Authority purchased a 113 acre parcel from the Hawley's on a note payable for \$700,000. A ten acre parcel was sold during the year. The balance of \$510,000 was paid off during the year.

During the year ended March 31, 2004, the Village of Webberville Downtown Development Authority issued the Downtown Development Bonds, Series 2003 in the amount of \$1,075,000. The bonds were issued for the purpose of paying the balance of the Hawley and Mason properties and other capital improvements projects.

The bond is a draw bond with principal to be drawn not later than December 30, 2005. The aggregate amount of all draws shall not exceed \$1,075,000. Interest is payable on May 1, 2004 and on each November 1, and May 1, thereafter. Principal repayments in the amount of \$59,722 shall commence May 1. The interest rate is determined by subsequent determination of the principal stated by the bond holder. The rate for the taxable interest is based on the Wall Street Journal Prime Rate plus $\frac{1}{2}$ percentage point and the interest rate for non-taxable interest is 4.09%.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE K - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

The outstanding principal at March 31, 2004, is as follows:

\$329,695.36	4.50%
<u>155,150.75</u>	4.09%
<u>\$484,846.11</u>	

A five year amortization schedule will be developed after the final draw.

NOTE L - SEGMENT INFORMATION - ENTERPRISE FUNDS

The government maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended March 31, 2004, is presented below:

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Operating Revenues	\$ 162,625	\$ 211,779	\$ 374,404
Depreciation Exp.	52,534	50,300	102,834
Operating Income			
(Loss)	(52,179)	(54,216)	(106,395)
Operating Transfers			
from Component Units	58,992	49,364	108,356
Net Income (Loss)	6,813	(4,852)	1,961
Property, Plant and			
Equipment Additions	-0-	-0-	-0-
Net Working			
Capital	(9,681)	75,219	65,538
Total Assets	2,524,553	2,745,277	5,269,830
Bonds Payable	1,453,900	891,100	2,345,000
Total Equity	1,031,681	1,830,401	2,862,082

The Village reserves assets to comply with the reserve requirements of the various bonds.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE M - RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The village has purchased commercial insurance and participates in the Michigan Municipal League for claims relating to all insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE N - SIDEWALK IMPROVEMENTS SPECIAL ASSESSMENTS

The Village of Webberville made sidewalk improvements to various properties. Part of the cost will be paid by the property owners as a special assessments. The homeowners will be assessed for each year from 2003 to 2007 for a portion of the principal and interest at 2%. The total principal to be assessed will be \$46,641.88. As of March 31, 2004 the remaining principal balance is \$34,087.69.

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$ 8,522	\$ 682	\$ 9,204
2005	8,522	511	9,033
2006	8,522	515	9,037
2007	<u>8,522</u>	<u>512</u>	<u>9,034</u>
	<u>\$34,088</u>	<u>\$2,220</u>	<u>\$36,308</u>

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF WEBBERVILLE
GENERAL FUND
BALANCE SHEETS - MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$202,187	\$176,268
Utility Customer Receivables	6,091	6,604
A/R - Property Tax - Per. Delinq.	46	465
Due from Other Funds	<u>1,407</u>	<u>2,432</u>
	<u>\$209,731</u>	<u>\$185,769</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 71,403	\$ 63,521
Accrued Interest Payable	6,169	6,613
Bonds Payable	<u>20,000</u>	<u>20,000</u>
TOTAL LIABILITIES	\$ 97,572	\$ 90,134
 Fund Balance - General	 <u>112,159</u>	 <u>95,635</u>
	<u>\$209,731</u>	<u>\$185,769</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
ANALYSIS OF CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Fund Balances at April 1,	\$ 95,635	\$124,866
Add: Excess of Revenues Over Expenditures (Expenditures over Revenues)	<u>16,524</u>	<u>(29,231)</u>
FUND BALANCE AT MARCH 31,	<u>\$112,159</u>	<u>\$ 95,635</u>

The accompanying notes are an integral
part of the financial statements.

	2004		2003	
	AMENDED BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
REVENUES:				
Taxes:				
Current Taxes	\$407,000	\$436,906	\$ (29,906)	\$357,630
Admin. Fees	<u>4,500</u>	<u>6,025</u>	<u>(1,525)</u>	<u>5,134</u>
TOTAL TAXES	\$411,500	\$442,931	\$ (31,431)	\$362,764
Fees & Permits:				
Trailer Park & Other Fees	\$ 750	\$ 742	\$ 8	\$ 740
Bldg. Permits, Inspection Fees, Fines & Other Fees	<u>32,000</u>	<u>12,539</u>	<u>19,461</u>	<u>16,019</u>
TOTAL FEES & PERMITS	\$ 32,750	\$ 13,281	\$19,469	\$ 16,759
Intergovernmental Revenues:				
State of Michigan:				
Sales Tax	<u>163,000</u>	<u>157,186</u>	<u>5,814</u>	<u>169,554</u>
TOTAL INTERGOVERNMENTAL REVENUES	\$163,000	\$157,186	\$ 5,814	\$169,554
Charges for Services:				
Refuse Coll.	\$ 35,000	\$ 36,285	\$ (1,285)	\$ 35,731
Other Serv.	<u>100</u>	<u>237</u>	<u>(137)</u>	<u>265</u>
TOTAL CHARGES FOR SERVICES	\$ 35,100	\$ 36,522	\$ (1,422)	\$ 35,996
Miscellaneous:				
Transfers from Other Funds For Services	\$ 32,000	\$ 32,000	\$ -0-	\$ 32,000
Interest Earned	6,000	2,140	3,860	5,813
Misc. Income	7,000	6,060	940	12,701
Cable Fran. Fee	5,000	5,843	(843)	5,730
COPS Grant-Other	-0-	-0-	-0-	30,945
Liquor Control/ Ordinance Fines	<u>1,300</u>	<u>1,689</u>	<u>(389)</u>	<u>1,568</u>
TOTAL MISCELLANEOUS	\$ 51,300	\$ 47,732	\$ 3,568	\$ 88,757

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>
	AMENDED		ACTUAL
	BUDGET	ACTUAL	(OVER) UNDER BUDGET
			ACTUAL
TRANSFERS FROM			
COMPONENT UNITS	<u>35,000</u>	<u>35,000</u>	<u>-0-</u>
TOTAL REVENUES	<u>\$728,650</u>	<u>\$732,652</u>	<u>\$ (4,002)</u>
EXPENDITURES:			
Legislative	\$ 15,000	\$ 11,024	\$ 3,976
General Service			\$ 9,419
Administration	80,550	64,150	16,400
Police	263,200	264,482	(1,282)
Fire/Bldg. & Zoning	34,508	33,671	837
Dept. of Public			70,271
Works	74,316	53,348	20,968
Street Lights/			54,658
Utilities	55,000	52,542	2,458
Refuse Collection	28,000	27,023	977
Parks & Recreation	2,000	1,636	364
Ins. & Bonding	14,000	13,489	511
Long-Term Debt	35,600	35,066	534
Transfers to			36,190
Component Units	<u>160,000</u>	<u>159,697</u>	<u>303</u>
TOTAL EXPENDITURES	<u>\$762,174</u>	<u>\$716,128</u>	<u>\$ 46,046</u>
			<u>\$738,061</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>			<u>2003</u>
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
LEGISLATIVE:				
Elected Officials				
Salaries	\$ 12,000	\$ 9,366	\$ 2,634	\$ 9,419
Election Expenses	<u>3,000</u>	<u>1,658</u>	<u>1,342</u>	<u>-0-</u>
TOTAL LEGISLATIVE	\$ 15,000	\$ 11,024	\$ 3,976	\$ 9,419
GENERAL SERV. ADMIN:				
Admin. Salaries	\$ 29,500	\$ 30,499	\$ (999)	\$ 35,125
Office Supplies	3,000	2,819	181	1,942
Postage	2,300	2,257	43	1,960
Legal Publishing	2,200	1,277	923	2,215
Maint. Supplies	10,000	8,936	1,064	8,251
Audit	3,500	2,465	1,035	2,928
Legal & Prof.	20,000	10,290	9,710	15,465
Tax Roll Prep.	1,000	415	585	375
Telephone	4,800	3,030	1,770	3,090
Equip. Maint.	2,000	262	1,738	1,195
Training	550	250	300	250
Memberships	<u>1,700</u>	<u>1,650</u>	<u>50</u>	<u>1,649</u>
TOTAL GENERAL SERV. ADMINISTRATION	\$ 80,550	\$ 64,150	\$16,400	\$ 74,445
POLICE:				
Crossing Guard	\$ 1,200	\$ -0-	\$ 1,200	\$ 1,076
Contract Services	<u>262,000</u>	<u>264,482</u>	<u>(2,482)</u>	<u>251,702</u>
TOTAL POLICE	\$263,200	\$264,482	\$ (1,282)	\$252,778

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
SCHEDULES OF APPROPRIATIONS
AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>	
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	
	<u>BUDGET</u>		<u>BUDGET</u>	
		<u>(OVER)</u>		
		<u>UNDER</u>		
		<u>BUDGET</u>	<u>ACTUAL</u>	
FIRE:				
Fire Hydrant				
Rent	\$ 2,508	\$ 2,426	\$ 82	\$ 2,526
Bldg. Improve.				
& Zoning	<u>32,000</u>	<u>31,245</u>	<u>755</u>	<u>67,745</u>
TOTAL FIRE	\$ 34,508	\$ 33,671	\$ 837	\$ 70,271
DEPT. OF PUBLIC WORKS:				
Salaries-Reg.	\$ 29,718	\$ 23,096	\$ 6,622	\$ 29,171
Social Security	4,400	1,767	2,633	2,231
Workmen's Comp.	1,300	302	998	574
Hospitalization	20,358	17,241	3,117	9,977
Retirement	6,800	2,296	4,504	2,730
MESA Unemployment	140	330	(190)	403
Truck Rental	10,000	6,808	3,192	8,180
Clothing	<u>1,600</u>	<u>1,508</u>	<u>92</u>	<u>1,392</u>
TOTAL DEPT. OF				
PUBLIC WORKS	\$ 74,316	\$ 53,348	\$ 20,968	\$ 54,658
STREET LIGHTS/UTIL.	55,000	52,542	2,458	47,616
REFUSE COLLECTION	28,000	27,023	977	26,793
PARKS & RECREATION	2,000	1,636	364	1,543
INSURANCE & BONDING:				
Multi Peril	\$	\$ 13,489	\$	\$ 5,616
Fleet		-0-		2,763
Employee Bonding		-0-		<u>10,429</u>
TOTAL INSURANCE &				
BONDING	\$ <u>14,000</u>	\$ <u>13,489</u>	\$ <u>511</u>	\$ <u>18,808</u>
LONG-TERM DEBT:				
Interest	\$	\$ 15,066	\$	\$ 16,190
Principal		<u>20,000</u>		<u>20,000</u>
TOTAL LONG-TERM				
PAYMENTS	\$ 35,600	\$ 35,066	\$ 534	\$ 36,190
TRANSFERS TO COMPONENT				
UNITS	<u>160,000</u>	<u>159,697</u>	<u>303</u>	<u>145,540</u>
TOTALS	<u>\$762,174</u>	<u>\$716,128</u>	<u>\$46,046</u>	<u>\$738,061</u>

SPECIAL REVENUE FUNDS

MAJOR STREET FUND

Major Street Fund is used to receive all Major Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Major Street.

LOCAL STREET FUND

Local Street Fund is used to receive all Local Street monies paid to the Village by the State, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Local Street.

MUNICIPAL STREET TAX FUND

Municipal Street Tax Fund is used to account for taxes segregated for street oriented operations.

DRAIN FUND

Drain Fund is used to account for taxes segregated for drain expenditures.

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
MARCH 31, 2004 AND 2003

	2004					2003
	MAJOR STREET FUND	LOCAL STREET FUND	MUNICIPAL STREET TAX FUND	DRAIN FUND	COMBINED	COMBINED
ASSETS						
Cash	\$98,740	\$70,984	\$29,064	\$30,095	\$228,883	\$207,478
A/R Taxes-						
Delinquent						
Pers.			12	4	16	169
	<u>\$98,740</u>	<u>\$70,984</u>	<u>\$29,076</u>	<u>\$30,099</u>	<u>\$228,899</u>	<u>\$207,647</u>
LIABILITIES AND FUND BALANCE						
Accts.						
Pay	\$ 68	\$ -0-	\$ -0-	\$ -0-	\$ 68	\$ 62
	\$ 68	\$ -0-	\$ -0-	\$ -0-	\$ 68	\$ 62
FUND BAL	98,672	70,984	29,076	30,099	228,831	207,585
	<u>\$98,740</u>	<u>\$70,984</u>	<u>\$29,076</u>	<u>\$30,099</u>	<u>\$228,899</u>	<u>\$207,647</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2003 AND 2002

	2003					2002
	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>MUNICI. STREET</u>	<u>DRAIN FUND</u>	<u>COMBINED</u>	<u>COMBINED</u>
REVENUES:						
Prop. Taxes	\$ -0-	\$ -0-	\$116,799	\$ 43,385	\$160,184	\$131,088
Motor Vehicle						
Highway Funds	73,711	25,067	-0-	-0-	98,778	94,242
Interest Earned						
& Misc.	<u>1,278</u>	<u>743</u>	<u>477</u>	<u>350</u>	<u>2,848</u>	<u>5,939</u>
TOTAL REV.	\$ 74,989	\$25,810	\$117,276	\$ 43,735	\$261,810	\$231,269
EXPENDITURES:						
Wages	\$ 7,047	\$ 3,648	\$	\$	\$ 10,695	\$ 10,779
Social Sec.	539	279			818	824
Insurance	3,904	1,553			5,457	3,869
Retirement	703	363			1,066	1,017
Workmen's Comp.	77	34			111	207
Administration	4,802	4,898			9,700	12,162
Equip. Usage	9,486	3,455			12,941	11,982
Tree Trimming	1,300	1,000			2,300	2,605
Drains	-0-	2,564	570	30,667	33,801	16,498
Supplies	5,800	2,600			8,400	8,400
Gravel	120	120			240	
Road Maint.	59,766	30,914			90,680	83,774
Salt & Chloride	2,420	2,420			4,840	3,566
Striping	1,697	-0-			1,697	
Signs & Posts	522	168			690	636
Traffic Lights	757	-0-			757	1,016
Audit	-0-	665			665	791
Legal & Prof.	<u>7,725</u>	<u>3,838</u>	<u></u>	<u>230</u>	<u>11,793</u>	<u>17,447</u>
TOTAL EXPEN.	\$106,665	\$58,519	\$ 570	\$ 30,897	\$196,651	\$175,573

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2003 AND 2002

	2003					2002
	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>MUNICIPAL STREET</u>	<u>DRAIN FUND</u>	<u>COMBINED</u>	<u>COMBINED</u>
EXCESS OF REVENUES OVER (UNDER) EXPEND.	\$ (31,676)	\$ (32,709)	\$ 116,706	\$ 12,838	\$ 65,159	\$ 55,696
OTHER FINANCING SOURCES:						
Transfers In -						
Other Funds	35,000	40,000	-0-	-0-	75,000	50,000
Transfers Out						
Other Funds	-0-	-0-	(76,000)	-0-	(76,000)	(54,000)
Transfers In						
Component Unit				15,941	15,941	
Transfers Out						
Component						
Units	<u>-0-</u>	<u>-0-</u>	<u>(42,914)</u>	<u>(15,941)</u>	<u>(58,855)</u>	<u>(53,649)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ <u>3,324</u>	\$ <u>7,291</u>	\$ <u>(2,208)</u>	\$ <u>12,838</u>	\$ <u>21,245</u>	\$ <u>(1,953)</u>

The accompanying notes are an integral
part of the financial statements

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUNDS
ANALYSIS OF CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2004 AND 2003

	2004					2003
	MAJOR STREET FUND	LOCAL STREET FUND	MUNICIPAL STREET TAX FUND	DRAIN FUND	COMBINED	COMBINED
FUND BALANCES						
AT 4-1	\$ 95,347	\$63,693	\$31,284	\$17,261	\$207,585	\$209,538
EXCESS OF REVENUES OVER EXPEND. (EXPENDITURES OVER REV.)	<u>3,324</u>	<u>7,291</u>	<u>(2,208)</u>	<u>12,838</u>	<u>21,245</u>	<u>(1,953)</u>
FUND BALANCES						
3-31	<u>\$ 98,671</u>	<u>\$70,984</u>	<u>\$29,076</u>	<u>\$30,099</u>	<u>\$228,830</u>	<u>\$207,585</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MAJOR STREET FUND
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$ <u>98,740</u> \$ <u>98,740</u>	\$ <u>95,409</u> \$ <u>95,409</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 68	\$ 62
Fund Balances	<u>98,672</u> \$ <u>98,740</u>	<u>95,347</u> \$ <u>95,409</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MAJOR STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>BUDGET</u>		<u>BUDGET</u>
		(OVER)	
		UNDER	
		<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:			
Motor Vehicle			
Highway Funds	\$ 68,000	\$ 73,711	\$ (5,711)
Interest Earned			
& Other	<u>1,200</u>	<u>1,278</u>	<u>(78)</u>
TOTAL REVENUES	\$ 69,200	\$ 74,989	\$ (5,789)
EXPENDITURES:			
Wages	\$ 7,740	\$ 7,047	\$ 693
Social Security	1,000	539	461
Insurance	4,486	3,904	582
Retirement	1,670	703	967
Workmen's Comp.	325	77	248
Administration	5,305	4,802	503
Equip. Useage	11,000	9,486	1,514
Tree Trimming	2,000	1,300	700
Drains	4,000	-0-	4,000
Supplies	5,800	5,800	-0-
Gravel	1,000	120	880
Road Maint.	92,000	59,766	32,234
Salt & Chloride	4,000	2,420	1,580
Striping	2,000	1,697	303
Legal & Prof.	10,000	7,725	2,275
Signs & Posts	1,500	522	978
Traffic lights	1,000	757	243
Audit	1,100	-0-	1,100
Snow Removal	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
TOTAL EXPEND.	\$156,926	\$ 106,665	\$ 50,261
EXCESS OF REVENUES			
OVER (UNDER)			
EXPENDITURES	\$ (87,726)	\$ (31,676)	\$ (56,050)
			\$ (28,132)

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MAJOR STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>
	AMENDED BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
			<u>ACTUAL</u>
Other Financing Sources:			
Transfer from Other			
Funds	\$ <u>35,000</u>	\$ <u>35,000</u>	\$ <u>20,000</u>
		\$ <u>-0-</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ <u>(52,726)</u>	\$ <u>3,324</u>	\$ <u>(8,132)</u>
Fund Balance at April 1,		<u>95,347</u>	<u>103,479</u>
FUND BALANCE AT MARCH 31,		\$ <u>98,671</u>	\$ <u>95,347</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
LOCAL STREET FUND
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$ <u>70,984</u>	\$ <u>63,693</u>
	\$ <u>70,984</u>	\$ <u>63,693</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ <u>-0-</u>	\$ <u>-0-</u>
TOTAL LIABILITIES	\$ <u>-0-</u>	\$ <u>-0-</u>
Fund Balance	<u>70,984</u>	<u>63,693</u>
	\$ <u>70,984</u>	\$ <u>63,693</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
LOCAL STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		ACTUAL (OVER) UNDER	<u>2003</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Motor Vehicle				
Highway Funds	\$ 23,500	\$ 25,067	\$ (1,567)	\$ 23,894
Interest Earned	<u>1,000</u>	<u>743</u>	<u>257</u>	<u>1,701</u>
TOTAL REVENUES	\$ 24,500	\$ 25,810	\$ (1,310)	\$ 25,595
EXPENDITURES:				
Wages	\$ 7,832	\$ 3,648	\$ 4,184	\$ 2,576
Social Security	400	279	121	197
Insurance	1,791	1,553	238	932
Retirement	541	363	178	243
Workmen's Comp.	225	34	191	49
Administration	5,505	4,898	607	5,887
Snow Removal	1,000	-0-	1,000	-0-
Equip. Useage	6,000	3,455	2,545	2,316
Tree Trimming	1,200	1,000	200	941
Drains	3,500	2,564	936	2,500
Supplies	2,600	2,600	-0-	2,600
Gravel	1,000	120	880	-0-
Road Maint.	49,000	30,914	18,086	31,889
Salt & Chloride	3,500	2,420	1,080	1,783
Signs & Posts	1,300	168	1,132	-0-
Legal & Prof.	12,000	3,838	8,162	12,236
Audit	<u>1,000</u>	<u>665</u>	<u>335</u>	<u>791</u>
TOTAL EXPEND.	\$ <u>98,394</u>	\$ <u>58,519</u>	\$ <u>39,875</u>	\$ <u>64,940</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (73,894)	\$ (32,709)	\$ (41,185)	\$ (39,345)
OTHER FINANCING SOURCES:				
Transfers from				
Other Funds	<u>40,000</u>	<u>40,000</u>	<u>-0-</u>	<u>30,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ (<u>33,894</u>)	\$ 7,291	\$ (<u>41,185</u>)	\$ (9,345)
Fund Balance at April 1,		<u>63,693</u>		<u>73,038</u>
FUND BALANCE AT MARCH 31,		\$ <u>70,984</u>		\$ <u>63,693</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
MUNICIPAL STREET FUND
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$29,064	\$31,161
A/R - Pers. Prop. Tax	<u>12</u>	<u>123</u>
	<u>\$29,076</u>	<u>\$31,284</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$29,076</u>	<u>\$31,284</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MUNICIPAL STREET TAX FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>	
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$115,500	\$ 116,799	\$ (1,299)	\$ 95,563
Int. Earned	<u>500</u>	<u>477</u>	<u>23</u>	<u>1,453</u>
TOTAL REVENUES	\$116,000	\$ 117,276	\$ (1,276)	\$ 97,016
EXPENDITURES:				
Ingham Co.				
Drain	\$ 4,000	\$ 570	\$ 3,430	\$ -0-
TOTAL EXPEND.	<u>\$ 4,000</u>	<u>\$ 570</u>	<u>\$ 3,430</u>	<u>\$ -0-</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$112,000	\$ 116,706	\$ (4,706)	\$ 97,016
OTHER FINANCING SOURCES:				
Transfers to Other				
Funds	\$ 76,000	\$ (76,000)	\$ -0-	\$ (54,000)
Transfers to				
Component Unit	<u>43,000</u>	<u>(42,914)</u>	<u>86</u>	<u>(39,110)</u>
	\$119,000	\$ (118,914)	\$ 86	\$ (93,110)
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER USES	<u>\$ (7,000)</u>	\$ (2,208)	<u>\$ (4,792)</u>	\$ 3,906
Fund Balance at April 1,		<u>31,284</u>		<u>27,378</u>
FUND BALANCE AT MARCH 31,		<u>\$ 29,076</u>		<u>\$ 31,284</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
DRAIN FUND
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$30,095	\$17,215
A/R - Delinq. Tax - Pers.	<u>4</u>	<u>46</u>
	<u>\$30,099</u>	<u>\$17,261</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$30,099</u>	<u>\$17,261</u>
	<u>\$30,099</u>	<u>\$17,261</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
DRAIN FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2004 AND 2003

		<u>2004</u>	ACTUAL (OVER) UNDER BUDGET	<u>2003</u>
	AMENDED BUDGET	ACTUAL		ACTUAL
REVENUES:				
Property Taxes	\$ 36,000	\$ 43,385	\$ (7,385)	\$ 35,525
Interest Earned	<u>550</u>	<u>350</u>	<u>200</u>	<u>630</u>
TOTAL REVENUES	\$ 36,550	\$ 43,735	\$ (7,185)	\$ 36,155
EXPENDITURES				
Prof. Serv.	\$ 550	\$ 230	\$ 320	\$ -0-
Drains at				
Large	<u>34,000</u>	<u>30,667</u>	<u>3,333</u>	<u>9,998</u>
TOTAL EXPEND.	\$ 34,550	\$ 30,897	\$ 3,653	\$ 9,998
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,000	\$ 12,838	\$ (10,838)	\$ 26,157
OTHER FINANCING SOURCES:				
Transfers from Component Unit	\$ -0-	\$ 15,941	\$ (15,941)	\$ -0-
Transfers (to) Component Unit	<u>-0-</u>	<u>(15,941)</u>	<u>(15,941)</u>	<u>14,539</u>
	\$ -0-	\$ -0-	\$ -0-	\$ (14,539)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ <u>2,000</u>	\$ 12,838	\$ (10,838)	\$ 11,618
Fund Balance at April 1,		<u>17,261</u>		<u>5,643</u>
FUND BALANCE AT MARCH 31,		<u>\$30,099</u>		<u>\$17,261</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL PROJECTS FUNDS

NEW EQUIPMENT FUND

New Equipment Fund is used to segregate monies set aside from various fund contributions to finance the purchase of equipment which may be used by several funds.

SIDEWALK FUND

The Sidewalk Fund is used to segregate monies set aside to finance the Village's portion of sidewalk construction.

WEBBERVILLE BUILDING AUTHORITY (WBA)

The WBA is the successor organization to the Joint Building Authority. The WBA is charged with the responsibility of building and financing the new village hall and library.

INFRASTRUCTURE FUND

The Infrastructure Fund is used to account for grant revenues and expenditures for the extension of sewer and water, storm drain improvements, and construction of road.

VILLAGE OF WEBBERVILLE
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2004 AND 2003

	2004				2003	
	NEW EQUIP. FUND	SIDEWALK FUND	WEBBERV. BLDG. AUTHORITY	INFRAST. FUND	COMBINED	COMBINED
Cash	\$41,230	\$21,230	\$10,203	\$ -0-	\$ 72,663	\$ 58,554
Accts.						
Rec.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$41,230</u>	<u>\$21,230</u>	<u>\$10,203</u>	<u>\$ -0-</u>	<u>\$ 72,663</u>	<u>\$ 58,554</u>
Loans						
Payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,000
TOTAL						
LIAB.	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,000
Fund Bal.	<u>41,230</u>	<u>21,230</u>	<u>10,203</u>	<u>-0-</u>	<u>72,663</u>	<u>57,554</u>
	<u>\$41,230</u>	<u>\$21,230</u>	<u>\$10,203</u>	<u>\$ -0-</u>	<u>\$ 72,663</u>	<u>\$ 58,554</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2004 AND 2003

	2004				2003	
	NEW EQUIP. FUND	SIDEWALK FUND	WEBBERV. BLDG. AUTHORITY	INFRAST. FUND	COMBINED	COMBINED
REVENUES:						
Special						
Assmts. \$	-0-	\$12,555	\$ -0-	\$ -0-	\$ 12,555	\$ -0-
Int. and						
Misc.	<u>320</u>	<u>175</u>	<u>22</u>	<u>-0-</u>	<u>517</u>	<u>1,547</u>
TOTAL \$	320	\$12,730	\$ 22	\$ -0-	\$ 13,072	\$ 1,347
EXPENDITURES:						
Professional						
Serv. \$	-0-	\$(2,440)	\$ -0-	\$ -0-	\$ (2,440)	\$ (4,457)
Cap. Out-						
Lay	(392)	-0-	(1,515)	-0-	(1,907)	(20,685)
New Const	<u>-0-</u>	<u>(4,616)</u>	<u>-0-</u>	<u>-0-</u>	<u>(4,616)</u>	<u>(60,884)</u>
TOTAL						
EXPEND. \$	<u>(392)</u>	<u>(7,056)</u>	<u>\$(1,515)</u>	<u>\$ -0-</u>	<u>\$ (8,963)</u>	<u>\$ (86,026)</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPEND. \$	(72)	5,674	\$(1,493)	\$ -0-	\$ (4,109)	\$(84,479)
Transfers from Other Funds	\$ <u>10,000</u>	<u>1,000</u>	<u>-0-</u>	<u>-0-</u>	<u>11,000</u>	<u>29,000</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPEND. \$	9,928	\$ 6,674	\$ (1,493)	\$ -0-	\$ 15,109	\$(55,479)
Fund Balance						
4-1	<u>31,302</u>	<u>14,556</u>	<u>11,696</u>	<u>-0-</u>	<u>57,554</u>	<u>113,033</u>
FUND BALANCE						
AT 3-31	<u>\$ 41,230</u>	<u>\$ 21,230</u>	<u>\$ 10,203</u>	<u>\$ -0-</u>	<u>\$ 72,663</u>	<u>\$ 57,554</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
NEW EQUIPMENT FUND
COMPARATIVE BALANCE SHEETS
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash	<u>\$41,230</u>	<u>\$31,302</u>
LIABILITIES AND FUND BALANCE		
Fund Balance	<u>\$41,230</u>	<u>\$31,302</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
NEW EQUIPMENT FUND
STATEMENT OF REVENUE AND EXPENDITURES
AND OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		<u>2003</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Int. Income	\$ <u>250</u>	\$ <u>320</u>	\$ <u>(70)</u>	\$ <u>420</u>
TOTAL REVENUES	\$ 250	\$ 320	\$ (70)	\$ 420
EXPENDITURES:				
Purchase of Equipment	\$ <u>7,000</u>	\$ <u>392</u>	\$ <u>6,608</u>	\$ <u>20,685</u>
TOTAL EXPEND.	\$ 7,000	\$ 392	\$ 6,608	\$ 20,685
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (6,750)	\$ (72)	\$ (6,678)	\$ (20,265)
Transfers from Other Funds	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>	<u>25,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ <u>3,250</u>	\$ 9,928	\$ <u>(6,678)</u>	\$ 4,735
Fund Balance at April 1,		<u>31,302</u>		<u>26,567</u>
FUND BALANCE AT MARCH 31,		\$ <u>41,230</u>		\$ <u>31,302</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SIDEWALK FUND
COMPARATIVE BALANCE SHEETS
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash	<u>\$21,230</u> <u>\$21,230</u>	<u>\$14,556</u> <u>\$14,556</u>
Fund Balance	<u>\$21,230</u> <u>\$21,230</u>	<u>\$14,556</u> <u>\$14,556</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
SIDEWALK FUND
STATEMENT OF REVENUE AND EXPENDITURES
AND OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2004 AND 2003

		<u>2004</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>2003</u> <u>ACTUAL</u>
	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>		
REVENUES:				
Special Assmts.\$	-0-	\$ 12,555	\$(12,555)	\$ -0-
Int. & Misc.	<u>300</u>	<u>175</u>	<u>125</u>	<u>1,038</u>
TOTAL REVENUES	\$ 300	\$ 12,730	\$(12,430)	\$ 1,038
EXPENDITURES:				
New Constr.	\$ 10,000	\$ 4,616	\$ 5,384	\$ 60,884
Prof. Fees	<u>3,000</u>	<u>2,440</u>	<u>560</u>	<u>4,457</u>
	\$ 13,000	\$ 7,056	\$ 5,944	\$ 65,341
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$(12,700)	\$ 5,674	\$(18,374)	\$(64,303)
Transfers from				
Other Funds	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>4,000</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER SOURCES	<u>\$(11,700)</u>	\$ 6,674	<u>\$(18,374)</u>	\$(60,303)
Fund Balance at April 1,		<u>14,556</u>		<u>74,859</u>
FUND BALANCE AT MARCH 31,		\$ <u>21,230</u>		\$ <u>14,556</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WEBBERVILLE BUILDING AUTHORITY
COMPARATIVE BALANCE SHEETS
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash	<u>\$10,203</u> <u>\$10,203</u>	<u>\$11,696</u> <u>\$11,696</u>
Fund Balance	<u>10,203</u> <u>\$10,203</u>	<u>11,696</u> <u>\$11,696</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WEBBERVILLE BUILDING AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2004 AND 2003

		<u>2004</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>2003</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUES:				
Interest Income	\$ <u>-0-</u>	\$ <u>22</u>	\$ <u>(22)</u>	\$ <u>89</u>
TOTAL REVENUES	\$ <u>-0-</u>	\$ <u>22</u>	\$ <u>(22)</u>	\$ <u>89</u>
EXPENDITURES:				
Bldg. Repairs	\$ <u>-0-</u>	\$ <u>1,515</u>	\$ <u>(1,515)</u>	\$ <u>-0-</u>
TOTAL EXPEND.	\$ <u>-0-</u>	\$ <u>1,515</u>	\$ <u>(1,515)</u>	\$ <u>-0-</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ <u>-0-</u>	\$ (1,493)	\$ <u>1,493</u>	\$ 89
Fund Balance at April 1,		<u>11,696</u>		<u>11,607</u>
FUND BALANCE AT MARCH 31,		<u>\$10,203</u>		<u>\$11,696</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
INFRASTRUCTURE FUND
BALANCE SHEET
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash	\$ -0-	\$ 1,000
Accounts Receivable - State of Michigan	$\frac{-0-}{\$ -0-}$	$\frac{-0-}{\$ 1,000}$
Loans Payable	$\frac{-0-}{\$ -0-}$	$\frac{1,000}{\$ 1,000}$
Fund Balance	$\frac{-0-}{\$ -0-}$	$\frac{-0-}{\$ 1,000}$

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
INFRASTRUCTURE FUND
STATEMENT OF REVENUES AND EXPENDITURES
MARCH 31, 2004 AND 2003

	<u>AMENDED BUDGET</u>	<u>2004 ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>2003 ACTUAL</u>
REVENUES:				
Grant Income	\$ -0-	\$ -0-	\$ -0-	\$ -0-
TOTAL REVENUES	\$ -0-	\$ -0-	\$ -0-	\$ -0-
EXPENDITURES:				
Industrial Dev.	\$ -0-	\$ -0-	\$ -0-	\$ -0-
TOTAL EXPENDITURES	\$ -0-	\$ -0-	\$ -0-	\$ -0-
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ -0-	\$ -0-	\$ -0-	\$ -0-
OTHER FINANCING SOURCES USES:				
Transfer to Other Funds	-0-	-0-	-0-	-0-
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER SOURCES	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund Balance at April 1,		-0-		-0-
FUND BALANCE AT MARCH 31,		\$ -0-		\$ -0-

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUND

Water and Sewer fund - to account for the provision of Water and Sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration (utility director), operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>			<u>2003</u>
	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS				
Current Assets:				
Cash	\$ 96,467	\$ 75,161	\$ 171,628	\$ 224,700
Cert. of Deposit	-0-	48,858	48,858	48,273
Accrued Int. Receivable	-0-	21	21	32
Accts. Rec.	<u>19,624</u>	<u>28,155</u>	<u>47,779</u>	<u>53,549</u>
TOTAL CURRENT ASSETS	\$ 116,091	\$ 152,195	\$ 268,286	\$ 326,554
Restricted Cash & Other Assets:				
Cash	\$ 141,217	\$ 385,391	\$ 526,608	\$ 503,593
Cert. of Deposit	49,029	114,402	163,431	156,557
Accrued Int. Receivable	<u>371</u>	<u>865</u>	<u>1,236</u>	<u>1,186</u>
TOTAL RESTRICTED ASSETS	\$ 190,617	\$ 500,658	\$ 691,275	\$ 661,336

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS				
Property, Plant & Equipment:				
Utility				
Plant	\$2,882,850	\$2,914,740	\$5,797,590	\$5,797,590
Accumulated				
Deprec.	<u>(724,227)</u>	<u>(858,613)</u>	<u>(1,582,840)</u>	<u>(1,480,005)</u>
NET PROPERTY,				
PLANT AND				
EQUIPMENT	<u>\$2,158,623</u>	<u>\$2,056,127</u>	<u>\$4,214,750</u>	<u>\$4,317,585</u>
Unamortized Discounts on Bonds:				
Issued and				
Financing				
Costs	\$ <u>59,222</u>	\$ <u>36,297</u>	\$ <u>95,519</u>	\$ <u>102,183</u>
	<u>59,222</u>	<u>36,297</u>	<u>95,519</u>	<u>102,183</u>
TOTAL ASSETS	<u>\$2,524,553</u>	<u>\$2,745,277</u>	<u>\$5,269,830</u>	<u>\$5,407,658</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	<u>TOTALS</u>
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accts. Pay. \$		\$ 493	\$ 493	\$ 2,527
Acc. Int.				
Payable	38,972	23,283	62,255	65,010
Current Portion of Long-Term Debt	<u>86,800</u>	<u>53,200</u>	<u>140,000</u>	<u>135,000</u>
TOTAL CURRENT LIAB.	\$ <u>125,772</u>	\$ <u>76,976</u>	\$ <u>202,748</u>	\$ <u>202,537</u>
Long-Term Liabilities:				
Rev. Bonds \$	<u>1,367,100</u>	<u>837,900</u>	<u>2,205,000</u>	<u>2,345,000</u>
TOTAL LONG-TERM LIAB.	\$ <u>1,367,100</u>	\$ <u>837,900</u>	\$ <u>2,205,000</u>	\$ <u>2,345,000</u>
Fund Equity:				
Construction in Aid of Const.	\$ 650,375	\$ 556,031	\$ 1,206,406	\$ 1,206,406
Retained Earnings:				
Reserve per Revenue Bond Indenture \$	264,840	\$ 1,122,175	\$ 1,387,015	\$ 1,329,336
Unreserved	<u>116,466</u>	<u>152,195</u>	<u>268,661</u>	<u>324,379</u>
TOTAL RETAINED EARNINGS	<u>381,306</u>	<u>1,274,370</u>	<u>1,655,676</u>	<u>1,653,715</u>
TOTAL FUND EQUITY	<u>1,031,681</u>	<u>1,830,401</u>	<u>2,862,082</u>	<u>2,860,121</u>
TOTAL LIAB. & FUND EQUITY	\$ <u>2,524,553</u>	\$ <u>2,745,277</u>	\$ <u>5,269,830</u>	\$ <u>5,407,658</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

		<u>2004</u>		<u>2003</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
OPERATING REVENUES:				
Charges for				
Services	\$153,719	\$ 198,120	\$ 351,839	\$ 357,084
Penalties	-0-	4,205	4,205	5,403
Int. Income				
& Other	<u>8,906</u>	<u>9,454</u>	<u>18,360</u>	<u>29,188</u>
TOTAL REVENUES	\$162,625	\$ 211,779	\$ 374,404	\$ 391,675
Operating Exp:				
Supplies	\$ 5,806	\$ 2,260	\$ 8,066	\$ 13,792
Maintenance	20,377	43,936	64,313	41,798
Electrical				
Power	8,168	3,301	11,469	12,304
Labor	4,936	4,367	9,303	8,233
Misc.	<u>72</u>	<u>72</u>	<u>144</u>	<u>144</u>
	\$ 39,359	\$ 53,936	\$ 93,295	\$ 76,271
Administration:				
Agent Fees	\$ 167	\$ 284	\$ 451	\$ 450
Salary	38,936	37,358	76,294	78,960
Audit	2,024	2,024	4,048	4,812
Supplies	11,800	11,800	23,600	23,600
Manatron Acctg.	532	123	655	2,269
Eng./Attorney	1,152	6,348	7,500	12,566
Tele. & Misc.	3,304	1,967	5,271	1,295
Insurance	<u>3,900</u>	<u>2,330</u>	<u>6,230</u>	<u>-0-</u>
	\$ 61,815	\$ 62,234	\$ 124,049	\$ 123,952
Other Expenses:				
Depreciation	\$ 52,534	\$ 50,300	\$ 102,834	\$ 105,185
Amortization	4,132	2,532	6,664	6,664
Int. Exp.	<u>56,964</u>	<u>96,993</u>	<u>153,957</u>	<u>160,772</u>
	\$113,630	\$ 149,825	\$ 263,455	\$ 272,621
TOTAL EXPENSES	\$214,804	\$ 265,995	\$ 480,799	\$ 472,844

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>			<u>2003</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
Net Income (Loss)				
Before Operating				
Transfers	\$(52,179)	\$ (54,216)	\$ (106,395)	\$ (81,169)
Operating Transfers:				
Transfer from				
Component				
Unit	<u>58,992</u>	<u>49,364</u>	<u>108,356</u>	<u>111,825</u>
NET INCOME				
(LOSS)	\$ 6,813	\$ (4,852)	\$ 1,961	\$ 30,656
Retained Earnings-				
Beginning of				
Year	<u>374,493</u>	<u>1,279,222</u>	<u>1,653,715</u>	<u>1,623,059</u>
RETAINED EARNINGS				
END OF YEAR	<u>\$381,306</u>	<u>\$1,274,370</u>	<u>\$1,655,676</u>	<u>\$1,653,715</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
Cash Flows from Operating Activities:				
Net Income				
(Loss)	\$ 6,813	\$ (4,852)	\$ 1,961	\$ 30,656
Adjustments from Operating Activities:				
Depreciation	\$ 52,534	\$ 50,300	\$ 102,834	\$ 105,185
Amortization	4,132	2,532	6,664	6,664
Increase (Decrease)				
in Int. Rec.	(15)	(24)	(39)	(588)
Increase (Decrease)				
in Accts. Rec.	1,219	4,551	5,770	(3,961)
Increase (Decrease)				
in Accts. Pay	(1,800)	(234)	(2,034)	610
Increase (Decrease)				
in Accrued Exp.	<u>(1,724)</u>	<u>(1,030)</u>	<u>(2,754)</u>	<u>(2,879)</u>
	\$ 61,159	\$ 51,243	\$ 112,402	\$ 135,687
Cash Flows from Capital & Related Financing:				
Capital Expend.	\$ -0-	\$ -0-	\$ -0-	\$ (16,209)
Cash Flows from Financing Activities:				
Reduction of Bonds				
Payable	\$ (83,700)	\$ (51,300)	\$ (135,000)	\$ (125,000)
Net Increase (Decrease)				
in Cash & Cash				
Equiv.	\$ (22,541)	\$ (57)	\$ (22,598)	\$ (5,522)

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>			<u>2003</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
Cash and Cash Equivalents Beginning of Year	\$ <u>309,254</u>	\$ <u>623,869</u>	\$ <u>933,123</u>	\$ <u>938,645</u>
CASH & CASH EQUIVALENTS END OF YEAR	\$ <u>286,713</u>	\$ <u>623,812</u>	\$ <u>910,525</u>	\$ <u>933,123</u>
Supplemental Disclosure of Cash Flow Information:				
Cash Paid During the Year For:				
Interest	\$ <u>57,984</u>	\$ <u>98,729</u>	\$ <u>156,713</u>	\$ <u>163,650</u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, the Village considers all highly liquid investments, such as certificates of deposits, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER ENTERPRISE FUND
BALANCE SHEET
MARCH 31, 2004 AND MARCH 31, 2003

ASSETS

	<u>2004</u>	<u>2003</u>
CURRENT ASSETS:		
Cash	\$ 96,467	\$ 117,226
Accounts Receivable	<u>19,624</u>	<u>20,843</u>
TOTAL CURRENT ASSETS	<u>\$ 116,091</u>	<u>\$ 138,069</u>
RESTRICTED CASH & OTHER:		
Cash	\$ 141,217	\$ 145,061
Certificate of Deposit	49,029	46,967
Accrued Int. Rec.	<u>371</u>	<u>356</u>
TOTAL RESTRICTED ASSETS	<u>\$ 190,617</u>	<u>\$ 192,384</u>
PROPERTY, PLANT & EQUIPMENT:		
Utility Plant	\$2,882,850	\$2,882,850
Accumulated Depreciation	<u>(724,227)</u>	<u>(671,692)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$2,158,623</u>	<u>\$2,211,158</u>
UNAMORTIZED DISCOUNTS:		
Issued & Financing Costs	<u>\$ 59,222</u>	<u>\$ 63,353</u>
TOTAL ASSETS	<u>\$2,524,553</u>	<u>\$2,604,964</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER ENTERPRISE FUND
BALANCE SHEET (CONTINUED)
MARCH 31, 2004 AND MARCH 31, 2003

LIABILITIES AND FUND EQUITY

	<u>2004</u>	<u>2003</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ -0-	\$ 1,800
Accrued Interest Payable	38,972	40,696
Current Portion of Long-Term Debt	<u>86,800</u>	<u>83,700</u>
TOTAL CURRENT LIABILITIES	\$ 125,772	\$ 126,196
LONG-TERM LIABILITIES:		
Revenue Bonds	<u>\$1,367,100</u>	<u>\$1,453,900</u>
TOTAL LONG-TERM LIABILITIES	\$1,367,100	\$1,453,900
FUND EQUITY:		
Contribution in Aid of Construction	\$ 650,375	\$ 650,375
RETAINED EARNINGS:		
Reserved per Revenue Bond Indenture	\$ 264,840	\$ 238,599
Unreserved	<u>116,466</u>	<u>135,894</u>
TOTAL RETAINED EARNINGS	\$ <u>381,306</u>	\$ <u>374,493</u>
FUND EQUITY	<u>1,031,681</u>	<u>1,024,118</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$2,524,553</u>	<u>\$2,604,964</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER SUPPLY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

		<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES:				
Charges for				
Services	\$144,508	\$153,719	\$ (9,211)	\$ 155,177
Int. & Misc.				
Income	<u>6,470</u>	<u>8,906</u>	<u>(2,436)</u>	<u>14,560</u>
TOTAL OPERATING				
REVENUES	\$150,978	\$162,625	\$ (11,647)	\$ 169,737
Operating Expenses:				
Supplies	\$ 9,000	\$ 5,806	\$ 3,194	\$ 8,249
Maintenance	114,000	20,377	93,623	13,447
Electrical Power	9,000	8,168	832	9,025
Labor	6,000	4,936	1,064	5,093
Misc.	<u>100</u>	<u>72</u>	<u>28</u>	<u>72</u>
	\$138,100	\$ 39,359	\$ 98,741	\$ 35,916
Administration:				
Agent Fees	\$ -0-	\$ 167	\$ (167)	\$ 162
Salary	45,110	38,936	6,174	41,324
Audit	2,400	2,024	376	2,406
Supplies	11,800	11,800	-0-	11,800
Manatron Acctg.	1,000	532	468	1,134
Eng./Atty.	15,000	1,152	13,848	11,686
Tele. & Misc.	3,950	3,304	646	725
Insurance	<u>4,000</u>	<u>3,900</u>	<u>100</u>	<u>-0-</u>
	\$ 83,260	\$ 61,815	\$ 21,445	\$ 69,237

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER SUPPLY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

		<u>2004</u>		<u>2003</u>
	<u>AMENDED</u>		ACTUAL	
	<u>BUDGET</u>	<u>ACTUAL</u>	(OVER)	
			UNDER	<u>ACTUAL</u>
			<u>BUDGET</u>	
Other Expenses:				
Depreciation \$	-0-	\$ 52,534	\$ (52,534)	\$ 54,885
Amortization	-0-	4,132	(4,132)	4,132
Int. Exp.	<u>100,992</u>	<u>56,964</u>	<u>44,028</u>	<u>57,878</u>
	\$ <u>100,992</u>	\$ <u>113,630</u>	\$ <u>(12,638)</u>	\$ <u>116,895</u>
TOTAL EXPENSES	\$ <u>322,352</u>	\$ <u>214,804</u>	\$ <u>107,548</u>	\$ <u>222,048</u>
Net Income Before				
Operating				
Transfers	\$ (171,374)	\$ (52,179)	\$ (119,195)	\$ (52,311)
Operating Transfers:				
Transfers From				
Component				
Unit	<u>30,000</u>	<u>58,992</u>	(<u>28,992</u>)	<u>59,457</u>
NET INCOME				
(LOSS)	\$ <u>(141,374)</u>	\$ 6,813	\$ <u>(148,187)</u>	\$ 7,146
Retained Earnings - Beginning				
of Year		<u>374,493</u>		<u>367,347</u>
RETAINED EARNINGS -				
END OF YEAR		\$ <u>381,306</u>		\$ <u>374,493</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 6,813	\$ 7,146
Adjustments from Operating Activities:		
Depreciation	\$ 52,534	\$ 54,885
Amortization	4,132	4,132
(Increase) Decrease in Interest Receivable	(15)	(184)
(Increase) Decrease in Accts. Receivable	1,219	(252)
Increase (Decrease) in Accts. Payable	(1,800)	908
Increase (Decrease) in Accrued Expenses	<u>(1,724)</u>	<u>(1,802)</u>
	\$ 61,159	\$ 64,833
Cash Flows from Investing Activities:		
Capital Expenditures	\$ -0-	\$ (16,209)
Cash Flows from Financing Activities:		
Reduction of Bonds Payable	\$ (83,700)	\$ (93,400)
Net Increase (Decrease) in Cash & Cash Equivalents	\$ (22,541)	\$ (44,776)
Cash & Cash Equivalents Beginning of Year	<u>309,254</u>	<u>354,030</u>
CASH & CASH EQUIVALENTS END OF YEAR	<u>\$286,713</u>	<u>\$ 309,254</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 57,984</u>	<u>\$ 58,914</u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, the Village considers investments, such as certificates of deposit, to be cash equivalents.

VILLAGE OF WEBBERVILLE
SEWER ENTERPRISE FUND
BALANCE SHEET
MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 75,161	\$ 107,474
Certificate of Deposit	48,858	48,273
Accounts Receivable	28,155	32,706
Accrued Interest Receivable	<u>21</u>	<u>32</u>
TOTAL CURRENT ASSETS	\$ <u>152,195</u>	\$ <u>188,485</u>
RESTRICTED CASH & OTHER:		
Cash	\$ 385,391	\$ 385,532
Cert. of Deposit	114,402	109,590
Accrued Int. Rec.	<u>865</u>	<u>830</u>
TOTAL RESTRICTED ASSETS	\$ <u>500,658</u>	\$ <u>468,952</u>
PROPERTY, PLANT & EQUIPMENT:		
Utility Plant	\$2,914,740	\$2,914,740
Accumulated Depreciation	<u>(858,613)</u>	<u>(808,313)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$2,056,127</u>	<u>\$2,106,427</u>
UNAMORTIZED DISCOUNTS:		
Issued & Financing Costs	\$ <u>36,297</u>	\$ <u>38,830</u>
	<u>\$2,745,277</u>	<u>\$2,802,694</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
SEWER ENTERPRISE FUND
BALANCE SHEET (CONTINUED)
MARCH 31, 2004 AND MARCH 31, 2003

LIABILITIES AND FUND EQUITY

	<u>2004</u>	<u>2003</u>
CURRENT LIABILITIES:		
Accts. Payable	\$ 493	\$ 727
Accrued Int. Payable	23,283	24,314
Current Portion of Long-Term Debt	<u>53,200</u>	<u>51,300</u>
TOTAL CURRENT LIABILITIES	\$ 76,976	\$ 76,341
LONG-TERM LIABILITIES:		
Revenue Bonds	<u>\$ 837,900</u>	<u>\$ 891,100</u>
TOTAL LONG-TERM LIABILITIES	\$ 837,900	\$ 891,100
FUND EQUITY:		
Contribution in Aid of Construction	\$ 556,031	\$ 556,031
RETAINED EARNINGS:		
Reserved per Revenue Bond Indenture	\$1,122,175	\$1,090,737
Unreserved	<u>152,195</u>	<u>188,485</u>
TOTAL RETAINED EARNINGS	<u>\$1,274,370</u>	<u>\$1,279,222</u>
TOTAL FUND EQUITY	<u>1,830,401</u>	<u>1,835,253</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,745,277</u>	<u>\$2,802,694</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

		<u>2004</u>		<u>2003</u>
	<u>AMENDED</u>		ACTUAL (OVER) UNDER	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES:				
Charges for				
Services	\$ 211,000	\$ 198,120	\$ 12,803	\$ 201,907
Penalties	3,500	4,205	(705)	5,403
Interest &				
Misc. Income	<u>1,500</u>	<u>9,454</u>	<u>(7,954)</u>	<u>14,628</u>
TOTAL REVENUES	\$ 216,000	\$ 211,779	\$ 4,221	\$ 221,938
Operating Expenses:				
Supplies	\$ 8,000	\$ 2,260	\$ 5,740	\$ 5,513
Maintenance	50,000	43,936	6,064	28,351
Electrical Power	3,500	3,301	199	3,279
Labor	8,000	4,367	3,633	3,140
Miscellaneous	<u>100</u>	<u>72</u>	<u>28</u>	<u>72</u>
	\$ 69,600	\$ 53,936	\$ 15,664	\$ 40,355
Administration:				
Agent Fees	\$ -0-	\$ 284	\$ (284)	\$ 288
Salary	45,110	37,358	7,752	37,636
Audit	2,200	2,024	176	2,406
Supplies	11,800	11,800	-0-	11,800
Manatron Acctg.	1,000	123	877	1,135
Eng./Atty.	7,000	6,348	652	880
Tele./Misc.	2,000	1,967	33	570
Improvements	10,000	-0-	10,000	-0-
Insurance	<u>3,000</u>	<u>2,330</u>	<u>670</u>	<u>-0-</u>
	\$ 82,110	\$ 62,234	\$ 19,876	\$ 54,715
Other Expenses:				
Depreciation	\$ -0-	\$ 50,300	\$ (50,300)	\$ 50,300
Amortization	-0-	2,532	(2,532)	2,532
Int. Exp.	<u>191,864</u>	<u>96,993</u>	<u>94,871</u>	<u>102,894</u>
	\$ <u>191,864</u>	\$ <u>149,825</u>	\$ <u>42,039</u>	\$ <u>155,726</u>
TOTAL EXPENSE	\$ <u>343,574</u>	\$ <u>265,995</u>	\$ <u>77,579</u>	\$ <u>250,796</u>
NET INCOME (LOSS)				
BEFORE OPERATING				
TRANSFER	\$ (127,574)	\$ (54,216)	\$ (73,358)	\$ (28,858)

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>AMENDED</u>		<u>ACTUAL</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(OVER)</u>	<u>ACTUAL</u>
			<u>UNDER</u>	
			<u>BUDGET</u>	<u>ACTUAL</u>
OPERATING TRANSFERS:				
Transfer from				
Component				
Unit	\$ <u>-0-</u>	\$ <u>49,364</u>	\$ <u>(49,364)</u>	\$ <u>52,368</u>
NET INCOME				
(LOSS)	\$ <u>(127,574)</u>	\$ <u>(4,852)</u>	\$ <u>(122,722)</u>	\$ <u>23,510</u>
Retained Earnings -				
Beginning of Year		<u>1,279,222</u>		<u>1,255,712</u>
RETAINED EARNINGS -				
END OF YEAR		<u>\$1,274,370</u>		<u>\$1,279,222</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ (4,852)	\$ 23,510
Adjustments from Operating Activities:		
Depreciation	\$ 50,300	\$ 50,300
Amortization	2,532	2,532
(Increase) Decrease in		
Interest Receivable	(24)	(404)
(Increase) Decrease in		
Accounts Receivable	4,551	(3,709)
Increase (Decrease) in		
Accounts Payable	(234)	(298)
Increase (Decrease) in		
Accrued Expenses	(1,030)	(1,077)
	\$ 51,243	\$ 70,854
Cash Flows from Investing Activities:		
Capital Expenditures	\$ -0-	\$ -0-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of Bonds Payable	\$ (51,300)	\$ (31,600)
	\$ (51,300)	\$ (31,600)
Net Increase (Decrease)		
in Cash and Cash		
Equivalents	\$ (57)	\$ 39,254
Cash and Cash Equivalents		
Beginning of Year	623,869	584,615
CASH AND CASH EQUIVALENTS		
END OF YEAR	\$ 623,812	\$ 623,869
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year For:		
Interest	\$ 98,729	\$ 104,736

Disclosure of Accounting Policy:
For purposes of the statement of cash flows, the Village considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

INTERNAL SERVICE FUNDS

MOTOR VEHICLE POOL FUND

Motor Vehicle Pool Fund is used to account for intergovernmental charges for operating expenses of vehicles of the Department of Public Works. Disbursements from this fund pay those various operating expenses. Accumulation of monies in this fund will be used for replacement of such vehicles.

VILLAGE OF WEBBERVILLE
MOTOR VEHICLE POOL FUND
BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$ 20,594	\$ 11,870
Equipment	164,933	164,933
Accumulated Depreciation on Equipment	(<u>161,170</u>)	(<u>159,866</u>)
	<u>\$ 24,357</u>	<u>\$ 16,937</u>

LIABILITIES AND RETAINED EARNINGS

Accounts Payable	\$ -0-	\$ -0-
Retained Earnings	<u>24,357</u>	<u>16,937</u>
	<u>\$ 24,357</u>	<u>\$ 16,937</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MOTOR VEHICLE POOL FUND
STATEMENT OF REVENUES AND EXPENDITURES
AND ANALYSIS OF CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2004 AND 2003

		<u>2004</u>		<u>2003</u>
	<u>AMENDED</u>		ACTUAL (OVER) UNDER	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES:				
Interest				
Income	\$ 500	\$ 175	\$ 325	\$ 462
Charges for				
Services from				
Other Funds	<u>45,000</u>	<u>34,652</u>	<u>10,348</u>	<u>31,629</u>
TOTAL REVENUES	\$ 45,500	\$ 34,827	\$ 10,673	\$ 32,091
OPERATING EXPENSES:				
Insurance	\$ 4,000	\$ 3,933	\$ 67	\$ -0-
Dept. of Public				
Works	<u>21,000</u>	<u>13,474</u>	<u>7,526</u>	<u>13,846</u>
TOTAL EXPEND.	\$ 25,000	\$ 17,407	\$ 7,593	\$ 13,846
EXCESS OF REVENUES				
(UNDER) OVER				
EXPENDITURES	\$ 20,500	\$ 17,420	\$ 3,080	\$ 18,245
Transfers to Other				
Funds	\$ (10,000)	\$ (10,000)	-0-	25,000
NET INCOME				
(LOSS)	\$ <u>10,500</u>	\$ 7,420	\$ <u>3,080</u>	\$ (6,755)
Retained Earnings				
at April 1,		<u>16,937</u>		<u>23,692</u>
RETAINED EARNINGS AT				
MARCH 31,		\$ <u>24,357</u>		\$ <u>16,937</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
MOTOR VEHICLE POOL FUND
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 7,420	\$ (6,755)
Adjustments from Operating Activities:		
Depreciation	\$ 1,304	\$ 3,815
Increase (Decrease) in Accts. Receivable	-0-	-0-
Increase (Decrease) in Accounts Payable	-0-	-0-
	<u>\$ 1,304</u>	<u>\$ 3,815</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ 8,724	\$ (2,940)
Cash and Cash Equivalents Beginning of Year	<u>11,870</u>	<u>14,810</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 20,594</u>	<u>\$ 11,870</u>

Disclosure of Accounting Policy:

For purpose of the statement of cash flows, the Village considers investments, such as certificates of deposit, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUNDS

WATER AND SEWER DISTRIBUTION FUND

This fund is used to distribute water, sewer and garbage monies to the proper fund.

PAYROLL FUND

Payroll Fund is used to account for the payroll paid to employees and the related payroll taxes and employee benefits.

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Village's current tax collections and to distribute such monies to the Village funds involved therein.

VILLAGE OF WEBBERVILLE
 COMBINING STATEMENT OF CASH AND LIABILITIES
 FIDUCIARY FUND TYPES
 YEARS ENDED MARCH 31, 2004 AND 2003

	2004				2003
	WATER AND SEWER DIST.	PAYROLL FUND	TAX FUND	COMBINED	COMBINED
Cash	\$ 556	\$ 7	\$ 844	\$ 1,407	\$ 2,318
Due from General					114
	<u>\$ 556</u>	<u>\$ 7</u>	<u>\$ 844</u>	<u>\$ 1,407</u>	<u>\$ 2,432</u>
Payroll Taxes Payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,108
Medical Insurance Payable	-0-	-0-	-0-	-0-	-0-
Retirement Payable	-0-	-0-	-0-	-0-	-0-
Due to other Funds	<u>556</u>	<u>7</u>	<u>844</u>	<u>1,407</u>	<u>2,432</u>
	<u>\$ 556</u>	<u>\$ 7</u>	<u>\$ 844</u>	<u>\$ 1,407</u>	<u>\$ 2,432</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER DISTRIBUTION FUND
BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$ <u>556</u>	\$ <u>556</u>

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ <u>556</u>	\$ <u>556</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
PAYROLL FUND
BALANCE SHEETS
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$ 7	\$ (114)
Due from General	<u>-0-</u>	<u>114</u>
	<u>\$ 7</u>	<u>\$ -0-</u>

LIABILITIES AND FUND BALANCE

Payroll Taxes Payable	\$ -0-	\$ -0-
Retirement Payable	-0-	-0-
Due to General	<u>7</u>	<u>-0-</u>
	<u>\$ 7</u>	<u>\$ -0-</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash	\$ <u>844</u>	\$ <u>1,876</u>
Due to Other Funds	\$ <u>844</u>	\$ <u>1,876</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

	CASH BALANCE <u>4-01-03</u>	ADDITIONS	DEDUCTIONS	CASH BALANCE <u>3-31-04</u>
<u>WATER AND SEWER DISTRIBUTION FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ <u>556</u>	\$ <u>361,446</u>	\$ <u>361,446</u>	\$ <u>556</u>
	\$ <u>556</u>	\$ <u>361,446</u>	\$ <u>361,446</u>	\$ <u>556</u>
<u>LIABILITIES</u>				
Undistributed Customer Billings Due to Other Funds	\$ -0-	\$ 361,446	\$ 361,446	\$ -0-
	<u>556</u>	<u>-0-</u>	<u>-0-</u>	<u>556</u>
	\$ <u>556</u>	\$ <u>361,446</u>	\$ <u>361,446</u>	\$ <u>556</u>
<u>PAYROLL FUND</u>				
<u>ASSETS</u>				
Cash	\$ (114)	\$ 191,257	\$ 191,136	\$ 7
Due from Other Funds	<u>114</u>	<u>-0-</u>	<u>114</u>	<u>-0-</u>
Cash	\$ <u>-0-</u>	\$ <u>191,257</u>	\$ <u>191,250</u>	\$ <u>7</u>
<u>LIABILITIES</u>				
Payroll Taxes Payable	\$ -0-	\$ 9,202	\$ 9,202	\$ -0-
Retirement Payable	-0-	10,140	10,140	-0-
Insurance Payable	-0-	41,312	41,312	-0-
Due to Other Funds	-0-	130,603	130,596	7
Payroll Payable	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$ <u>-0-</u>	\$ <u>191,257</u>	\$ <u>191,250</u>	\$ <u>7</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

	CASH BALANCE <u>4-01-03</u>	ADDITIONS	DEDUCTIONS	CASH BALANCE <u>3-31-04</u>
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ <u>1,876</u>	\$ <u>675,467</u>	\$ <u>676,499</u>	\$ <u>844</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$1,876	\$ 675,467	\$ 676,499	\$ 844
Due to Other Gov't Ent.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$ <u>1,876</u>	\$ <u>675,467</u>	\$ <u>676,499</u>	\$ <u>844</u>

COMBINED AMOUNTS

<u>ASSETS</u>				
Cash	\$2,318	\$1,228,170	\$1,229,081	\$1,407
Due from Other Funds	<u>114</u>	<u>-0-</u>	<u>114</u>	<u>-0-</u>
	\$ <u>2,432</u>	\$ <u>1,228,170</u>	\$ <u>1,229,195</u>	\$ <u>1,407</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$2,432	\$ 806,070	\$ 807,095	\$1,407
Payroll Taxes Payable	-0-	9,202	9,202	-0-
Retirement Pay.	-0-	10,140	10,140	-0-
Insurance Pay.	-0-	41,312	41,312	-0-
Payroll Payable	-0-	-0-	-0-	-0-
Due to Other Gov't Entities	-0-	-0-	-0-	-0-
Undistributed Cust. Billings	<u>-0-</u>	<u>361,446</u>	<u>361,446</u>	<u>-0-</u>
	\$ <u>2,432</u>	\$ <u>1,228,170</u>	\$ <u>1,229,195</u>	\$ <u>1,407</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in
proprietary fund operations or accounted
for in trust funds.

VILLAGE OF WEBBERVILLE
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2004

ASSETS

Buildings and Land	\$1,421,322
Office Equipment	61,651
Police Equipment	10,598
DPW Equipment	191,508
Other Fixtures and Equipment	<u>865</u>
	<u>\$1,685,944</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$1,685,944</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FIXED ASSETS FUND
ANALYSIS OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED MARCH 31, 2004

	3-31-03 <u>BALANCES</u>	<u>INCREASES</u>	<u>DECREASES</u>	3-31-04 <u>BALANCES</u>
Building and				
Land	\$1,421,322	\$ -0-	\$ -0-	\$1,421,322
Office Equip.	61,651	-0-	-0-	61,651
Police Equip.	10,598	-0-	-0-	10,598
DPW Equip.	191,116	392	-0-	191,508
Other Fixtures and Equip.	865	-0-	-0-	865
	<u>\$1,685,552</u>	<u>\$ 392</u>	<u>\$ -0-</u>	<u>\$1,685,944</u>

The accompanying notes are an integral
part of the financial statements.

GENERAL LONG-TERM DEBT

To account for the long-term contract payable for a bridge in the Local Street Fund, as well as Downtown Development Authority indebtedness.

VILLAGE OF WEBBERVILLE
GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Amount to be Provided for the Retirement of Contracts	\$ <u>674,846</u>	\$ <u>867,500</u>

LIABILITIES

Loans Payable	\$ <u>674,846</u>	\$ <u>867,500</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
ANALYSIS OF CHANGE IN FUND BALANCE
GENERAL LONG-TERM DEBT
MARCH 31, 2004

	<u>BALANCE</u> <u>3-31-03</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>3-31-04</u>
Bank Mortgage -				
Building	\$ 210,000	\$	\$ 20,000	\$ 190,000
Notes Payable				
DDA	<u>657,500</u>	<u>484,846</u>	<u>657,500</u>	<u>484,846</u>
	<u>\$ 867,500</u>	<u>\$484,846</u>	<u>\$677,500</u>	<u>\$ 674,846</u>

The accompanying notes are an integral
part of the financial statements.

FINANCIAL STATEMENTS
OF
DISCRETELY PRESENTED COMPONENT UNITS

DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority (DDA) Fund is used to account for the operations of the Webberville DDA. Financing for DDA operations was provided by the General Fund. Resources of this fund are used for the administration of the Authority and planning of improvements in the downtown district.

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash	\$116,567	\$277,199
Due from Other Governmental Units	<u>411,580</u> <u>\$528,147</u>	<u>376,329</u> <u>\$653,528</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 76,919	\$240,917
Accrued Interest Payable	<u>-0-</u>	<u>16,917</u>
TOTAL LIABILITIES	\$ 76,919	\$257,834
Fund Balance	<u>451,228</u> <u>\$528,147</u>	<u>395,694</u> <u>\$653,528</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED MARCH 31, 2004 AND 2003

		<u>2004</u>		<u>2003</u>
	<u>AMENDED</u>		ACTUAL (OVER) UNDER	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Income from LTD				
Financing	\$1,075,000	\$ 484,846	\$ 590,154	\$ -0-
Int. & Misc.	1,500	2,183	(683)	7,647
Rent Income	-0-	2,839	(2,839)	2,799
Other Gov't.				
Units	<u>576,330</u>	<u>296,801</u>	<u>279,529</u>	<u>318,821</u>
TOTAL REV.	\$1,652,830	\$ 786,669	\$ 866,161	\$ 329,267
EXPENDITURES:				
J. America	\$	\$ -0-	\$	\$ 305,000
WCRA Grant		9,702		15,000
State of MI Fees		-0-		800
Adv. & Promo.		1,650		1,450
Sidewalks		3,516		26,339
Audit		700		730
Contracted Serv.		10,473		10,489
Legal		22,431		28,634
Office Exp.		2,021		1,819
Engineering		603		2,001
Option Fees		1,500		-0-
Recording Salary		600		1,575
Loan Fees		38,736		-0-
Long-Term Debt		686,642		106,809
Drains		385		14,539
Publishing		760		620
Street Lights		8,941		8,941
Parking Lot				
Paving		<u>1,750</u>		<u>-0-</u>
TOTAL EXPEND.	\$ <u>1,197,297</u>	\$ <u>790,410</u>	\$ <u>406,887</u>	\$ <u>524,746</u>

The accompanying notes are an integral
part of the financial statements

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>	ACTUAL (OVER) UNDER BUDGET	<u>2003</u>
AMENDED BUDGET	ACTUAL	BUDGET	ACTUAL
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES \$ 455,533	\$ (3,741)	\$ 459,274	\$ (195,479)
OTHER FINANCING SOURCES:			
Transfer from Primary Government \$ -0-	\$ 218,552	\$ (218,552)	\$ 199,188
Transfer to Primary Government <u>(164,301)</u>	<u>(159,277)</u>	<u>(5,024)</u>	<u>(146,825)</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES AND TRANSFERS \$ <u>291,232</u>	\$ 55,534	\$ <u>235,698</u>	\$ (143,116)
Fund Balance at April 1,	<u>395,694</u>		<u>538,810</u>
FUND BALANCE AT MARCH 31,	\$ <u>451,228</u>		\$ <u>395,694</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER SYSTEM
DEBT SERVICE CHARGES TO MATURITY ON BONDED INDEBTEDNESS
1994 BOND
MARCH 31, 2004

<u>YEAR ENDED</u> <u>MARCH 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 140,000	\$ 149,085	\$ 289,085
2006	145,000	141,035	286,035
2007	155,000	131,900	286,900
2008	160,000	122,135	282,135
2009	165,000	112,055	277,055
2010	170,000	101,660	271,660
2011	170,000	90,950	260,950
2012	180,000	80,240	260,240
2013	180,000	68,900	248,900
2014	195,000	57,200	252,200
2015	125,000	44,525	169,525
2016	130,000	36,400	166,400
2017	135,000	27,950	162,950
2018	145,000	19,175	164,175
2019	150,000	9,750	159,750
	<u>\$2,345,000</u>	<u>\$1,192,960</u>	<u>\$3,537,960</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
BUILDING AUTHORITY BONDS
MARCH 31, 2004

<u>YEAR ENDED</u> <u>MARCH 31,</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2005	\$ 14,805	\$ 20,000	\$ 34,805
2006	13,490	20,000	33,490
2007	12,240	25,000	37,240
2008	10,512	25,000	35,512
2009	8,700	25,000	33,700
2010	6,888	30,000	36,888
2011	4,712	30,000	34,712
2012	<u>2,538</u>	<u>35,000</u>	<u>37,538</u>
	<u>\$ 73,885</u>	<u>\$210,000</u>	<u>\$283,885</u>

The accompanying notes are an integral
part of the financial statements.



DEMIS and WENZLICK, P.C.

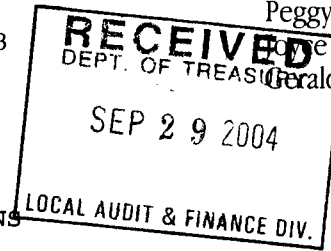
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COMMENTS AND RECOMMENDATIONS

April 23, 2004

To the Honorable President
and Village Council
Village of Webberville, Michigan

In compliance with the provisions of Section 11 of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Village of Webberville for the year ended March 31, 2004.

BUDGET

The state revenue sharing distribution law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenues plus the beginning fund balance. During our audit we noticed several expenditures exceeded budgeted amounts. Care should be taken that expenditures do not exceed the budget.

DOWNTOWN DEVELOPMENT AUTHORITY

During our audit we noted outstanding delinquent IFT agreements. We recommend letters be sent that agreements may be revoked for non-payment.

We noted monthly expenditures of \$50 but lack any supporting documentation. Under Internal Revenue guidelines such payments are referred to as a nonaccountable plan and accordingly are subject to tax. We recommend the DDA seek a legal opinion as to the requirements for substantiation of these expenditures.

GASB 34

The Government Accounting Standard Board issued Statement #34. This statement significantly changes governmental financial reporting. It requires reporting of infrastructure, including related depreciation and it requires management discussion and analysis of the government's financial condition. The effective date of this statement is March 31, 2005 for the Village of Webberville.

The State of Michigan has indicated it will not enforce compliance with GASB 34. We will, at a later time, itemize both the advantages and disadvantages to the Village of Webberville's compliance with this statement.

We would like to thank the staff of the Village and Village Council for the excellent cooperation we received for this year's audit. Our firm would be most happy to assist you in any way toward implementing the above recommendations, or any other matter the board may wish to review with us.

Very truly yours,

Dennis and Wenglick, P.C.

Certified Public Accountants